



County of Los Angeles CHIEF EXECUTIVE OFFICE

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March 20, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum provides information on the following:

- **Budget Subcommittees Hearings** - related to: 1) the Medi-Cal expansion under the Federal Affordable Care Act; 2) establishment of eligibility systems as part of Health Care Reform implementation; and 3) review of the CalWORKs Program.
- **Status of County-Advocacy Legislation:**
 - **County-Supported AB 272 (Gomez)** - related to rabies vaccinations for dogs passed the Assembly Agriculture Committee on March 13, 2013.
 - **County-Supported SBX1 3 (Hernandez)** - related to the health care Bridge Plan passed the Senate Health Committee on March 20, 2013.

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Budget Hearing on Medi-Cal Expansion and 1991 Realignment Growth on Mental Health and CalWORKs Subaccounts

On March 18, 2013, the Assembly Budget Subcommittee No. 1 on Health and Human Services held a hearing on the Medi-Cal expansion under the Federal Affordable Care Act (ACA), 1991 Realignment funds under the CalWORKs Maintenance of Effort (MOE) structure, the Coordinated Care Initiative (CCI), among other programs.

The Subcommittee's actions included the following:

- Voted 4 to 0 to approve extending Medi-Cal coverage to former foster youth, up to age 26, beginning January 1, 2014, and adopted placeholder trailer bill to implement this change. Currently, the Medi-Cal Program covers former foster youth until age 21.
- Discussed and held open an item related to growth funding for the 1991 Realignment Mental Health and the CalWORKs MOE Subaccounts. The Administration has proposed trailer bill language that would change the growth formula for mental health realignment funds, beginning in FY 2015-16, with the State and counties sharing the growth funds equally. As previously reported, the fiscal structure for the 2011 Public Safety Realignment established in SB 1020 (Chapter 40, Statutes of 2012) specifies that 1991 Realignment funds that would otherwise have been deposited into the Mental Health Subaccount instead be deposited into the CalWORKs MOE Subaccount. This funding is used by counties to meet their CalWORKs MOE obligation.

The Administration's rationale for the above proposal is that the SB 1020 of 2012 structure for the CalWORKs MOE Subaccount was in place before the Coordinated Care Initiative and the county In-Home Supportive Services (IHSS) MOE were finalized. The State indicates that change will result in lower than usual Social Services Subaccount caseload growth which will result in increased growth dollars to all of the Subaccounts in 1991 Realignment (Health, Mental Health, Social Services). The Administration also states that Social Services caseload growth has first priority on growth dollars in the 1991 Realignment funding structure.

This office is working with the Departments of Mental Health and Public Social Services to determine the potential impact of this proposal to the County.

Hearing on Federal Affordable Care Act and Medi-Cal Enrollment and Eligibility System

On March 14, 2013, the Senate Budget and Fiscal Review Subcommittee No. 3 on Health and Human Services convened to review several budget items related to the Federal Affordable Care Act, including the establishment of the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS), which will be used to coordinate the enrollment of persons into qualified health care plans including Medi-Cal.

Representatives from the Administration and from the Health Benefits Exchange (Covered California), testified that more time is needed to fully develop the CalHEERS system which will result in two delays to the implementation of the project: 1) the interface between CalHEERS and the Statewide Automated Welfare Systems (SAWS), and the Los Angeles Eligibility, Automated Determination, Evaluation, and Reporting (LEADER) systems will be delayed from October 1, 2013 until January 1, 2014; and 2) the Medi-Cal health plan selection process will be delayed until the Spring of 2014.

The County Welfare Directors Association (CWDA) expressed concerns regarding the delays and recommended that the Administration and Covered California work to complete the interface by December 1, 2013 to provide counties at least one month of active use of the interface prior to January 1, 2014 for the Medi-Cal expansion and Exchange coverage. CWDA also requested that counties be given the opportunity to test and train on the new system prior to January 1, 2014. Subcommittee members indicated that these recommendations would provide better accommodations to eligibility workers to provide good customer services for those applying for health care benefits. The committee took no action on these recommendations.

This office is working with the Departments of Public Social Services and Health Services to determine the potential impact on the County regarding the above project schedule delays.

Assembly Budget Subcommittee Hearing on the CalWORKs Program

On March 13, 2013, the Assembly Budget Subcommittee No. 1 on Health and Human Services convened to review the CalWORKs Program, and to continue the discussion of a two-day retreat with representatives from the Administration, CalWORKs participants, counties, and other stakeholders to collaboratively identify solutions aimed at improving the program's effectiveness.

Will Lightbourne, Director of the California Department of Social Services (CDSS), provided a brief overview of the Governor's FY 2013-14 January Budget proposals,

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including the proposed \$142.8 million increase Statewide for CalWORKs Single Allocation Employment Services in FY 2012-13 (\$4.3 million) and FY 2013-14 (\$138.5 million). As previously reported, this funding reflects the estimated costs related to the programmatic changes to the CalWORKs program enacted in the FY 2012-13 State Budget Act. The Subcommittee approved the Administration's CalWORKs estimate by a vote of 3 to 1, including the baseline adjustment in the Single Allocation, subject to further adjustment in the Governor's May Revision.

Status of County-Advocacy Legislation

County-supported AB 272 (Gomez), which as introduced on February 7, 2013, would change the age at which dogs may be vaccinated for rabies from four months of age to three months of age or older, passed the Assembly Agriculture Committee by a vote of 7 to 0 on March 13, 2013. This measure now proceeds to the Assembly Appropriations Committee.

County-supported SBX1 3 (Hernandez), which as amended on March 6, 2013, would establish a Bridge Plan which would require the California Health Benefits Exchange to offer health care plans for low-income persons previously enrolled in the Medi-Cal or Healthy Families Programs, and for other qualified persons with incomes up to 200 percent of the Federal Poverty Level, passed the Senate Health Committee by a vote of 8 to 1 on March 20, 2013. This measure now proceeds to the Senate Appropriations Committee.

We will continue to keep you advised.

WTF:RA
MR:VE:OR:ma

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